VZCZCXRO5417 RR RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR DE RUEHNC #0713/01 2481536 ZNY CCCCC ZZH R 041536Z SEP 08 ZFF4 FM AMEMBASSY NICOSIA TO RUEHC/SECSTATE WASHDC 9122 INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE RUEHAK/AMEMBASSY ANKARA 5273 RUEHTH/AMEMBASSY ATHENS 4062 RUEHLO/AMEMBASSY LONDON 1368 RUEHIT/AMCONSUL ISTANBUL 1138 RUEHBS/USEU BRUSSELS RUCNDT/USMISSION USUN NEW YORK 1214

C O N F I D E N T I A L SECTION 01 OF 03 NICOSIA 000713

SIPDIS

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TAGS: PREL PGOV TU CY SUBJECT: CYPRUS: UN-BROKERED TALKS OPEN WITH FEW SUPRISES, MANY REDLINES, AND GOODWILL BETWEEN TALAT AND CHRISTOFIAS.

Classified By: Classified by Ambassador Frank C. Urbancic for reaons 1. 4(b) and 1.4(d).

11. (C) Summary: UN-brokered full-fledged negotiations to resolve the Cyprus Problem recommenced on September 3, with leaders Mehmet Ali Talat and Demetris Christofias participating in a mostly-ceremonial two-hour gathering with UN Special Advisor Alexander Downer. After airing the

redlines, the two leaders hammered out procedural questions in what, according to our UNFICYP contacts, was one of their very best encounters to date. There seemed to be a fair amount of give and take, with the leaders making concessions to each other regarding how often to meet (once a week) and what topic to tackle first (power-sharing and governance). While clearly off to a good start, negotiations will most likely drag into 2009, as the low-hanging fruit is picked first and the two leaders eventually

start to discuss issues on which there is little convergence, such

as security, guarantees, and territory. End Summary

"One of the best meetings yet" \_\_\_\_\_

 $\P2$ . (C) Our UNFICYP contacts report that the largely ceremonial September 3 kick-off of UN-brokered full-fledged negotiations was "one of the best meetings yet" between the two Cypriot leaders, who called each other by first name throughout the two-hour meeting. This cordiality carried over in a brief Q/A session with the press, where both men appeared relaxed and jovial. Their seeming calmness is both notable and welcome in light of the turbulent run-up to September 3, when Turkish Cypriot authorities (on orders of the Turkish military, according to one Talat insider)

banned Greek Cypriot worshipers from making a one-time crossing through

closed Limnitis/Yesilirmak checkpoint for church services, and

G/C negotiator George Iacovou stormed out of a meeting with his T/C counterpart Ozdil Nami.

Power-sharing and Governance First on the Agenda

13. (SBU) Judging from the announced results of the meeting and

our contacts, observations, both leaders engaged in a genuine give

and take. They agreed to tackle at their next meeting (September 11)

power-sharing and governance, a T/C demand and a topic on which there is a considerable amount of convergence. Talat had

initially wanted to discuss EU and/or Economic issues next-both low-hanging fruit on which

there exists considerable common ground -- but agreed to move on to property next after

Christofias said he needed to address an anxious G/C public demanding progress on land.

Talat noted that the property issue would cause him problems within his own community, too.

 $\P4$ . (SBU) The leaders will employ a three-classification triage system to each

given topic, addressing immediately those areas on which there is

the most convergence, while sending topics on which there is less back to the expert working groups with specific guidance on how to proceed.

They will put aside for later those points on which there is little or no agreement.

To coincide with the leaders' discussion of power-sharing and governance, that particular  $\,$ 

working group (WG) will reconvene, and technical experts from the WG will join

the leaders and top negotiators at the September 11 session. Meetings will continue once per week for the foreseeable

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future (T/Cs, who would like to accelerate the process as much as possible,

had sought twice-a-week encounters, but Christofias demurred, citing other head of state/government responsibilities).

Redlines and Recriminations Don't Spoil the Show

15. (SBU) Neither leader was shy in airing well-practiced red lines and gripes, both during the negotiations and publicly afterwards, but did not allow them to sour the tone or the

substance of the first meeting. G/C leader Christofias complained that the leaders had not been able to set up a Working

Group on Turkish "settlers," open the Limnitis crossing point despite

a commitment by both leaders, or make any progress on territory.

He also rejected "virgin birth" (the notion that a post-solution

Cyprus will not be a mere continuation of the RoC in a federal state,

but rather a new entity born of a federation of two separate societies),

continuation of the 1960 Treaty of Guarantee that gives Turkey the explicit authority to intervene to protect the Turkish Cypriot community, and strict timetables for the negotiation. Finally, Christofias stated that the 1977 High-Level Agreement, former President Makarios' effort to craft a framework for a bizonal, bicommunal federal Cyprus, was the "limit" of G/C concessions.

 $\P6$ . (SBU) Talat presented a shorter list of redlines that the G/Cs will have trouble accepting.

They include continuation of the Treaty of Guarantee and Treaty of Alliance,

and a stipulation that a post-solution Cyprus would consist of two equal constituent states, as agreed in the leaders' May 23 statement but later walked back by Christofias. Talat repeated these same themes in a televised address to the Turkish Cypriot community on September 3, where he both

expressed commitment to a solution and chided prior  ${\rm G/C}$  efforts to dominate his community.

When will Limnitis Open?

17. (C) In the negotiating room, the UN asked both leaders point-blank how to proceed on opening the Limnitis/Yesilirmak crossing point, which would ease travel to Nicosia for Greek Cypriots living in

far western Cyprus. Although Christofias and Talat had agreed to open it, the deal has hit resistance, both over money — it will cost over six million euro to reconstruct the road — and over T/C attempts to link Limnitis,s opening to expanded T/C access to Pyla, a mixed village in the southeastern sector of the Buffer Zone. UN sources report that Talat genuinely seemed troubled by his side,s inability to spur progress on Limnitis, and only once mentioned Pyla. Both leaders have delegated their negotiators to address the crossings issue further, and a Talat confidente told us that, while Pyla is still on the table, they were discussing alternatives. The insider also blamed former "Turkish Peace Forces" Commander Kivrikoglu, who recently departed Cyprus, for preventing the passage of Greek Cypriot worshipers via Limnitis.

"Good Will but No Guarantees"

18. (C) COMMENT: Both leaders during their post-negotiation press

conference promised "good will but no guarantees". All signs point to a

lengthy and at-times contentious process that is likely to drag

well into 2009 as the leaders take on issues such as guarantees and security, on which the sides have diametrically-opposed views. End Comment.

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